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Chicago SouthShore & South Bend Railroad

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March 2, 2006

Director, Commodity Procurement Policy &
Analysis Division
Farm Service Agency
United States Department of Agriculture
Room 5755-S
1400 Independence Avenue, SW
Washington, DC 20250-0512

Via Email to Richard.Chavez@usda.gov
Subject: P.L. 480 Humanitarian Food Aid Program

Dear Sir:

I am Director-Marketing & Customer Service for the Chicago SouthShore & South Bend Railroad. We serve the Illinois International Port District-Lake Calumet, Chicago, IL. Our largest customer at the Port is Transfer Logistics for whom we provide local rail switching service for the various food-aid products that move through the Port under the P.L. 480 food aid program.

Our railroad handles boxcars of various food-aid products from connecting carriers at Chicago and places them at the Port so that Transfer Logistics may transfer the contents to ocean-going containers for eventual shipment overseas. Since this program began at Great Lakes Ports and specifically (in our case) at Chicago in 1998, the business has grown rapidly to the point that this traffic now represents the single largest rail customer at the Port of Chicago-Lake Calumet. We typically handle approximately 3,000 carloads per year for Transfer Logistics with five or six-days/week service, representing approximately 200,000 metric tons. This business has become such an integral part of our service at the Port, that without it, our frequency of switching service would undoubtedly have to be reduced to our other Port customers.

The Chicago SouthShore & South Bend Railroad is proud to be a part of this vitally important program, but we find ourselves concerned that the proposed rule changes regarding a one-step bid process versus the current two-step process may affect the purchase and shipment of these various commodities. We certainly appreciate and understand the need for a bid system that minimizes costs while yielding the most value for our government's funds, but also believe that such changes should be evaluated in a considered and measured manner. Consequently, we do not believe that such changes are "insignificant" as the Commodity Credit Corporation contends, but rather, that such changes warrant a "significant" impact label, thereby insuring that the proposed changes receive the proper degree of scrutiny from all parties involved. The current bid process

and eventual movement of these commodities involves many parties and is a fairly complicated process. None of us want to see changes implemented haphazardly and then regret the unintended or unforeseen consequences that may result from such changes.

The Chicago SouthShore and South Bend Railroad very much appreciates the opportunity to handle these important commodities that are so vital to so many around our world. We are equally grateful for the opportunity to be part of the process to consider changes to the procurement and transportation of these commodities. Should you require any additional information, you may contact me at 219-874-9000, ext. 210, or at ccompton@southshorefreight.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles T. Compton", with a stylized, flowing script.

Charles T. Compton
Director-Marketing & Customer Service